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Lawn&Garden Marketing™

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Reports on: Corporate licensing programs Recent acquisitions • Retailer roundtable

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Lawn&Garden Marketing™

The merchandising magazine for lawn, garden and leisure living products.

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Did you know?

Nearly 57% of lawn and garden retailers said watering restrictions had been imposed in their areas during the 1988 Drought; 43% said they had not. Of the respondents, 19% were in the Northeast, 53% were in the North Central, 22% were in the South and 6% were in the West.

Source: *Lawn & Garden Marketing* August 1988 survey.

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Feedback

By Gina Kellogg Hogan, *associate editor*

Gloves may be a top-selling product line sold by retailers, but retailers don't give gloves much attention. Nor do they spend much time worrying about sales of other apparel, such as aprons, face masks, knee pads, goggles or ear protectors.

A survey by *Lawn & Garden Marketing* and the National Lawn and Garden Distributors Assn. showed that gloves were the top product line of garden supplies sold. But when retailers were surveyed recently, most said they don't give a lot of thought to apparel sales.

Most retailers responding to the survey said sales of apparel are mostly predetermined purchases; few consumers buy apparel merely because they see the products while shopping.

Though most retailers interviewed admit they could do more to encourage impulse purchases, most say doing so has never occurred to them. Leonard Desmet, president of Desmet Lumber & Supply Co., Cecil, Pa., says the work in creating displays hasn't deterred him from making the effort; he merely has never given apparel sales much thought.

At Vasco Hardware, Lakeland, Fla., manager Jerry Holbrook has similar feelings. "I would like to have [apparel items] at the cash register," he adds, after a moment's reflection. "But there's no room. The problem with displaying them is that they're not the No. 1-selling impulse item in my store." He says a spinner rack probably would spur some increased sales in gloves.

Perhaps more retailers should spend time thinking about increasing apparel sales. After all, the majority of those retailers responding to this survey bring in more than $100,000 a year in apparel sales. Several indicated apparel sales exceeded $1 million or more.

Apparel sales

One retailer who does take time to encourage apparel impulse sales is Gary Roberson, Marshall's Garden & Pet Store, Aberdeen, Wash. As nursery manager, Roberson displays baskets of gloves and handtools among the spring bedding plants. He also places signs among the plants, reminding customers to buy garden gloves. "These [tactics] work especially well because a lot of times in the spring, the customers don't make it in to the main part of the store—because they are so caught up in the plants."

Another unique selling tactic Roberson uses involves wearing a pair of cotton garden gloves himself while working. "I wear a pair that I like, so customers see them when I'm working with the plants. They see them, and they ask about them, and I tell them the benefits. Then people usually say, 'Well, I'd like a pair of those.' "

Where to display apparel

To some extent, impulse purchases may be higher than retailers realize since most display apparel near allied lines. At Fawcett's Garden Center, owner Beverly Fawcett displays gloves next to pruners, trowels and other hand tools.

At Vasco, Holbrook displays goggles above saw blades and power saws. Work gloves are placed near hand tools.

Roberson also displays some apparel items with watering cans.

Guy P. Echols, owner of Echols' Farm Store, Richardson, Texas, says he not only displays safety-related apparel near power equipment, but the power equipment is the main reason he carries the products. As soon as a customer expresses an interest in purchasing power equipment, Echols is busy selling him or her a pair of goggles. "When we're selling a piece of power equipment, we explain that it *is* power equipment, and there are certain dangers inherent with power equipment," Echols explains. "Safety should be a prime consideration for a customer, and they should wear safety goggles and ear protectors."

About half of the survey respondents encourage sales of safety-related apparel with a power equipment purchase.

Holbrook of Vasco encourages his employees to suggest related apparel items during a sale. "On chemicals especially, I always try to bring up a mask, especially in the spring, where the wind could throw [chemicals] back in your face," he says.

The pricing problem

Most retailers surveyed say they mark up apparel items 40-49 percent. Only a few mark items up 100 percent or more. Most reasoned that their customers were familiar with apparel prices from shopping in nearby discount stores.

Desmet says, "We have to watch how we price them. We're not in a very populated area, and if we have our name out as a high-priced store, they'd stop buying from us." Most of his customers come to the store with a specific purchase in mind—and a specific dollar amount they expect to spend.

Mirvel Tack, who co-owns Tack Sales and Service with her husband in Oak Harbor, Ohio, has the same problem. "Consumers check out prices in a little town like this. People go out of town to discount stores and department stores. So we can't put prices too high, or people will say, 'Oh, I can get that cheaper somewhere else.' "

Roberson thinks he *could* mark up his products higher, but he likes to push quality rather than price. He does offer apparel items on special regularly. "Cheap prices don't go along with the identity of what the store has sold all these years," he says. **—LGM**

Average customer sale in lawn and garden apparel

Hardware/home center and garden center respondents were asked what the average sale per customer in lawn and garden apparel is in their stores:

Average sale	Percentage
$1-5	47%
$6-10	33
$11-15	19
No answer	1

Source: *Lawn & Garden Marketing* September 1988 survey.

Gina Kellogg Hogan is the associate editor of *Lawn & Garden Marketing*. Each month she calls on retailers of lawn and garden products all across the United States to discuss topics of relevance to their businesses. Retailers also are queried each month through surveys in *Lawn & Garden Marketing*. The results of these surveys are compiled by the *LGM* research department for use in the magazine and the industry at large.

Targeting the OPE market

By George Griffin, *editorial contributor*

Success in the consumer market often hinges upon the retailers' knowledge about customers and the retailers' ability to use this information effectively to reach the best prospects. This is a fundamental formula for retail sales success regardless of the size of the business.

An analogy between car sales and lawn and garden outdoor power equipment might best underscore the importance of this. For example, in selling cars, car manufacturers target specific audiences, depending upon the specific type or model of car or truck they are selling. Upscale, expensive automobiles, such as Cadillacs, Lincolns and Mercedes, are advertised in upscale, glossy magazines, such as *Town & Country*. An ad for a Ford half-ton truck, however, would look out of place in such a magazine; most *Town & Country* readers probably aren't interested in half-ton pickups. Consumers who are interested in trucks could better be reached in a gaming and wildlife magazine.

The same theory holds true for lawn and garden outdoor power equipment; retailers must target the audience that will be the most interested in the power equipment they have to sell.

Where do you begin to know just who of your retail customers wants what equipment? The Outdoor Power Equipment Institute's "Retail Sales Program" provides some of the answers to such questions. Through the study, important information about OPE customers is described, including demographics for various types of power equipment—which income group buys which equipment, whether women are involved in the purchase decisions and how much the experienced buyer spends as opposed to the first-time buyer, for example. The first industry-wide retail sales program, this study was initiated by OPEI during the 1988 selling season. The information was made available to retailers for the first time during the seminar program at the International Lawn, Garden & Power Equipment Expo in Louisville.

Six products were covered by the program in fiscal year 1988 (September 1987-August 1988): walk-behind power mowers, rear-engine riding mowers, snowthrowers, lawn tractors, garden tractors and walk-behind tillers. Beginning in fiscal year 1989, OPEI added flexible line trimmers. The program generates detailed consumer demographic data and other key purchase information such as product features, purchase price and type of store where the product was bought.

This direct market information can be used to target customers by OPE retailers and improve their business. All the program information is based upon a continuing large-scale telephone sampling of 275,000 U.S. households over a 12-month period.

Some key findings from the program indicate the significance of target marketing to consumers of the various OPE products. The truly successful OPE retailers are marketing to different consumers, depending upon the product. According to the retail sales program, these consumers are, in fact, upscale and are a more diversified group of customers than has been generally acknowledged in the past.

According to the report, the median household income of walk-behind lawnmower consumers is $37,556, while the median household income for garden tractor consumers is much higher at $46,352. Such a large difference in income indicates that the media that should be used for advertising walk-behind mowers is probably quite different than the media that should be used to reach a garden tractor consumer. A general circulation newspaper may work for one product, but a quality direct-mail effort may be better suited for the garden tractor advertising.

PE retailers are facing another diverse consumer segment that will affect product advertising and sales presentation: women. The report says that a female household member is involved with the purchase of a walk-behind lawnmower 32 percent of the time. For the lawn or garden tractor, a female is involved with 24 percent of the purchases. Thus, retailers cannot afford to overlook the female household member as a buyer or purchase-influencer in marketing activities, such as sales personnel training, sales presentation, product demonstrations and in-store displays.

Any OPE retailer should target the mix or products to appeal to first-time buyers and the replacement buyer.

OPE retailers should consider a targeted approach to market activities. No single media, advertising theme or limited model/display will effectively reach every consumer target. The results from the Retail Sales Program challenge OPE retailers to target their business for successful marketing. **—LGM**

First-time vs. replacement buyers

Without a doubt, experienced buyers—those replacing a product—clearly are paying more for that item, typically upgrading the product and features.

Product	First-time buyer	Replacement buyer	% change
Walk-behind	$ 193	$ 265	37
Rider	1,053	1,205	14
Lawn tractor	1,110	1,354	21
Garden tractor	1,852	2,799	51
Snowblower	418	543	29
Tiller	402	485	20

Source: 1988 OPEI Retail Sales Program

Information for this article was developed from the presentation by George Griffin at the International Lawn, Garden & Power Equipment Expo in July in Louisville, Ky. The data presented at Expo 88 is available upon written request to Dana Bondy, OPEI, 341 S. Patrick St., Old Town Alexandria, VA 22314.

The OPEI Retail Sales Monthly Report and Executive Summary are provided on a proprietary basis to OPEI members. OPE retailers can contact OPEI member manufacturers for more detailed information during the upcoming selling season.

New features, keynote speaker announced for Expo 89

Stew Leonard Jr., the nationally known retailer with annual sales close to $100 million, will be the keynote speaker at the International Lawn, Garden & Power Equipment Expo on Wednesday, Aug. 2. Expo 89 is slated for Monday, July 31-Wednesday, Aug. 2, in Louisville, Ky.

Leonard operates a grocery store in Norwalk, Conn., that employs 550 people in one location. His store has been featured in *Fortune* and *Success* magazines and in newspapers such as *The New York Times* and *International Herald Tribune*. Retailers will be able to learn first-hand what techniques make his store such a success.

New features of the Expo this year include the Innovative Products Awards and The Hall of Yesteryear.

The Innovative Products Award will recognize the most beneficial and original products introduced at the show. A panel of expert judges will review the entries before the show opens and announce 10 award recipients and one overall winner in a press conference the first day of the show. The Innovative Products Award is sponsored by *Lawn & Garden Marketing*.

The Hall of Yesteryear will provide attendees a walk down memory lane with a display of early power equipment and lawn and garden tools.

Dixon Industries expands production facilities

Dixon Industries, Coffeyville, Kan., began an $800,000 expansion project at the end of 1988 that will add 16,500 sq. ft. to its factory. Dixon initiated the project because sales of its product—ZTR mowers—have increased more than 60 percent over the last two years.

An addition of 13,600 sq. ft. will be divided among the engineering, marketing, customer service, accounting, purchasing, production, research and development departments. The paint shop will be enlarged by 2,900 sq. ft. and modernized with the addition of an automated powder-paint, oven-cure finishing process.

Electrolux buys Roper. See "On the Market," page 8.

America's Master Gardener to endorse Ryan line

Jerry Baker, America's Master Gardener, will act as spokesman for Inertia Dynamics Corp., Chandler, Ariz. Baker will endorse the company's line of gas-powered lawn and garden equipment and its Ryan line of trimmers and blowers.

Baker is the author of more than three dozen books and makes regular appearances on such TV shows as "CBS Morning News," the "Today Show" and "Good Morning America."

Equipment owned by lot size

In a survey of consumers, the type of outdoor power equipment owned—according to the lot size of their homes—was parallel: the larger the lot size, the more powerful the piece of equipment.

Lawn size	Walk-behind	Riding mower	Lawn tractor	Garden tractor
Less than ¼ acre	45%	09%	05%	05%
¼ acre	—	12	08	05
½ acre	28	25	18	11
1 acre	15	24	31	25
1½ acre	04	08	10	07
2 or more acres	08	22	28	47

Source: Outdoor Power Equipment Institute *Executive Update*

Briefs

• Frank Minati, president of Annawan, Ill.-based Brave Industries Inc. was elected president of the Logsplitter Mfrs. Assn. Al Huss, vice president, Huss Sales Inc., Toledo, Ohio, was elected vice president and treasurer.

• Production began at **Tecumseh Product Co.'s** new Dunlap, Tenn., plant in December. About 50 employees are part of the first phase of operation at the plant, with about 350 employees projected to be in place when the facility is working at capacity. The plant will manufacture the TC-200 and TC-300 engines.

• **Encore Mfg. Co.,** Beatrice, Neb., opened a 20,000-sq.-ft. manufacturing plant recently that will produce the company's line of commercial walk-behind mowers, grass catchers and sulky mower attachments. The company headquarters also was moved to the new location.

• **Western International** officially has changed its name to **Noma Outdoor Products Inc.** The company also moved its headquarters from Des Moines, Iowa, to Jackson, Tenn., where it introduced a new line of products called Powerline. The line will be sold through the independent servicing dealer and includes four-wheel-steer tractors and shift-on-the-go transmission transfer systems. Juergen Bueller was named director of dealer sales for the Powerline group.

• Richard R. Pollick has been promoted to president of the Toro Credit Co., a wholly owned subsidiary of **The Toro Co.** The Toro Credit Co. assists in the year-round manufacturing of lawn care and maintenance products by offering seasonal terms to Toro's distribution network.

• Elwood Smith has been named president of **AL-KO Kober Corp.,** Elkhart, Ind. He will run the North American operation of the company.

• James B. Farland has been promoted to vice president of sales and marketing for **Allegretti & Co.,** Chatsworth, Calif. He was formerly vice president sales.

• Robert W. Reid has been named president of **Jacobsen Division of Textron,** Racine, Wis. Reid replaces John R. Dwyer Jr.